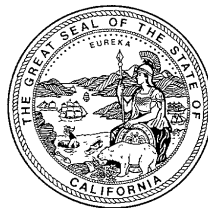


Golden OPPORTUNITIES



JUNE-JULY 2000

A California business
update from the
California
Office of Foreign Investment

SUCCESS STORY

NRE and Lundberg Family Farms Do (Boxed) Lunch

NIPPON RESTAURANT ENTERPRISE CO., LTD. of Japan, (NRE), a major Japanese producer of *bento*-style boxed lunches, announced at a May 25 ceremony in Sacramento that it will establish a plant in Fairfield, California to produce *bento* meals for export to Japan. The meals will feature organic grains and produce, as well as naturally raised beef, pork, poultry and seafood. The pre-packaged products will be shipped frozen to Japan, where they will be microwave-heated and distributed through the Japanese railway system.

Lundberg Family Farms of Richvale, California, the leading American organic rice producer, will be an equity partner in the venture, called NRE World Bento, Inc. About 80% of all ingredients will be sourced from California. The new company will invest \$8 million to build its 26,500-square-foot factory in the Solano Business Park, and expects to employ 50 people, said Jeffrey Schnack, president of NRE World Bento. NRE begins construction in June and will be operational by April 2001.

This opportunity came to the Office of Foreign Investment (OFI) as a referral from the U.S. Agricultural Trade Office (ATO) in Japan. Key factors in site selection were proximity to both ingredient sources and Bay Area ports, as well as community suitability for the transferred Japanese and their families. ☞

BOOMING BUSINESS BRIEFS

1999 Federal FDI Numbers In

THE U.S. DEPARTMENT OF COMMERCE reports that foreign investors' spending to acquire or establish U.S. businesses increased 31% to a record \$282.9 billion in 1999. This exceptional increase is attributed to the worldwide boom in mergers and acquisitions, the continuing strength of the U.S. economy, and the increasing number and size of large investments.

Most industries with a strong presence in California experienced large increases in foreign direct investment (FDI) in 1999, indicating that California may be mirroring the U.S. trend to reach record levels. FDI from Europe dominated in 1999, totaling \$205 billion. The United Kingdom contributed \$110 billion, principally from two acquisitions of large California companies: the \$63 billion purchase of Air Touch Communications by Vodafone Group PLC and the \$27 billion acquisition of Atlantic Richfield by BP Amoco PLC. Combined FDI from France, Germany, Switzerland and the Netherlands totaled nearly \$86 billion. FDI from Asia and the Pacific registered \$11.5 billion, with Japan leading at \$8 billion. Canada accounted for nearly \$11.4 billion. ☞

OFI's Publications Valuable to Investors

THE OFFICE OF FOREIGN INVESTMENT (OFI) has numerous resources to assist, inform, and instruct foreign investors of opportunities in the Golden State. Topics include setting up business, investment and tax credits, industry profiles, federal investor visa program, state demographics, and what makes California the preferred place for business expansion.

Most publications are available on the Internet through the new OFI homepage, <http://investca.com>.

AVAILABLE NOW
ON LINE!

**Setting Up Business
in California:**
A Guide for Foreign Investors

<http://investca.com>

Central Coast is Rooted in Agriculture, Swimming in Research

CALIFORNIA'S CENTRAL COAST is well known for its spectacular coastline, pristine mountains, and fertile inland valleys. It is also rapidly gaining notice for its thriving, dynamic economy and good quality of life. As a result, three of California's ten fastest growing counties in 1999 were located here.

Nearly 1.4 million residents or 4% of the state's total live in the Central Coast counties of Santa Cruz, Monterey, San Benito, San Luis Obispo, and Santa Barbara. The region is strategically located between California's two largest metropolitan areas – Los Angeles and the Bay Area, connected by Highway 101. The Central Coast hosts some of the nation's best educational and research institutions, including University of California at Santa Cruz and Santa Barbara, California Polytechnic University at San Luis Obispo, and California State University at Monterey Bay.

Agriculture, food processing and tourism drive the local economy. The region's proximity to the Silicon Valley has

fuelled growth in electronics manufacturing, marine research, business services, printing, publishing and global space communications. Seagate Technology, the world's largest manufacturer of disk drives, makes its home in Santa Cruz County.

Working to facilitate new investment, the Central Coast remains committed to a business-friendly environment. The Monterey Bay Education, Science, and Technology Center (MBEST) was formed in partnership with U.C. Santa Cruz as a cornerstone of the Fort Ord defense conversion plan. MBEST promotes collaboration among research organizations, educational institutions, government agencies and policy makers. MBEST aims to attract leaders and emerging companies in research, technology and instrumentation of biological, environmental, marine, agricultural and information sciences, as well as multimedia educational and entertainment materials.

INDUSTRY FOCUS

Medical Devices are Instrumental to California's Healthy Economy

WHILE THE UNITED STATES is the largest producer in the world of medical devices and diagnostics, California is a formidable global player in the industry. The Golden State is home to 1,560 medical device/diagnostics firms – about 28% of the U.S. total – employing more than 56,000 people, about 27% of California's healthcare technology workforce. California also has been competitive in attracting foreign-owned medical device firms. Some 26 foreign-owned medical device companies are located in California, with \$1.46 billion in annual sales and 7,300 employees.

California is headquarters to some of the major players in the medical device field, such as Edwards Lifesciences Corporation, manufacturer of cardiovascular products, and Beckman Coulter, Inc., producer of laboratory instruments and clinical diagnostics. Other world-renowned firms such as Medtronic, Inc., Guidant Corporation, Baxter Healthcare Corporation and Boston Scientific Corporation have set up research and production facilities in California.

And it's no wonder. California has been the heart of global biomedical innovation for a generation. California's biotechnical industry is a magnet for research funding. From the National Institutes of Health (NIH) alone, the

Golden State garnered \$1.9 billion in grants for 1999, or 15.1% of the U.S. total.

Orange County is home to the largest cluster of medical device companies – well over 300 – in the world. The largest companies tend to dominate the market; yet, the small, entrepreneurial companies play a big role in research and new development. Many are fostered by the University of California, Irvine's Office of Technology Alliances (OTA). OTA cultivates research partnerships and transfers of technology between UCI and the industry that lead to rapid commercialization for public benefit.

For more details, see California Healthcare Institute's Millennium Report at http://www.chi.org/chi_2000.html and UCI's OTA homepage at <http://www.ota.uci.edu/>.

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